



**Marathon Resources Ltd**  
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ABN 31 107 531 822

26 November 2007

Manager Companies  
Companies Announcements Office  
Australian Stock Exchange Limited

**By e-mail: ASX On-Line**

Dear Sir/Madam

**ASX Code: MTN**  
**Priority Entitlement Offer – Phoenix Copper IPO**

I enclose form of correspondence dispatched to shareholders, as foreshadowed in Marathon's recent release of 9 November 2007.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Sam Appleyard', written over a faint, light-colored signature strip.

Sam Appleyard  
Company Secretary

23 November 2007

Dear Marathon Shareholder,

### **Entitlement Offer to Phoenix Copper Limited - IPO**

As announced on 9 November 2007, Marathon Resources Limited (**Marathon**) has recently agreed to sell Exploration Licence 3164 (Mongolata Project), located in the Burra region of South Australia to Phoenix Copper Limited (**Phoenix Copper**).

Phoenix Copper has assembled a tenement package covering a substantial part of the Burra region and an area on the eastern edge of the Gawler Craton on the southern Yorke Peninsula. Phoenix Copper is undertaking an initial public offering (**IPO**) to raise \$10 million for purposes of exploration and expects to list on the Australian Securities Exchange (ASX) by the end of January 2008. The Phoenix Copper prospectus was lodged with ASIC on 20 November 2007.

Marathon's agreement with Phoenix Copper to sell EL 3164 is conditional on the IPO being successfully completed. If that occurs Marathon will receive for EL 3164, 750,000 shares and 750,000 options over shares in Phoenix Copper together with a 2.5% net smelter return in respect of minerals derived from the western portion of EL 3164 (the eastern portion of EL 3164 being subject to an existing joint venture).

Phoenix Copper has agreed to offer Marathon shareholders a first-come-first-served priority right to subscribe for up to a total of 15,000,000 shares (\$3 million) in its IPO (**Priority Offer**). Only Marathon shareholders with a registered address in Australia, as recorded on the register of Marathon at 5:00pm, Adelaide time, on 19 November 2007 are eligible to apply for Phoenix Copper shares under the Priority Offer. The maximum number of Phoenix Copper shares that a Marathon shareholder may apply for is 250,000 (\$50,000). If a greater number is applied for, or more than 15,000,000 shares are applied for in total by Marathon shareholders, the excess will be treated as having been applied for in Phoenix Copper's public offer.

Enclosed with this letter is a personalised Priority Offer Eligibility Label. Should you choose to subscribe for Phoenix Copper shares you will need to:-

- download and read a copy of the Phoenix Copper prospectus from its website [www.phoenixcopper.com.au](http://www.phoenixcopper.com.au); and
- attach your Priority Offer Eligibility Label to the application form at the back of the prospectus and follow the instructions on the application form and in the section of that prospectus headed "Priority Offer to Eligible Marathon Shareholders".

**Your Priority Offer Eligibility Label must be attached to your application form** if your application is to be considered under the Priority Offer. Applications from Marathon shareholders which do not have a Priority Offer Eligibility Label attached to the application form will not be considered under the Priority Offer.

Please note that the Phoenix Copper Priority Offer to Marathon shareholders is not available to Marathon shareholders whose registered addresses are outside Australia.

Before you decide to subscribe for Phoenix Copper shares you must download its prospectus, read that prospectus thoroughly and consult your stock broker or financial advisor. Please be aware that the Phoenix Copper Priority Offer to Marathon shareholders is expected to close on **14 December 2007**. Applications under the Priority Offer will be allotted on a **first-come-first-served basis**.

An electronic copy of the Phoenix Copper prospectus (minus the application form) is expected to be available from Tuesday, 20 November 2007. The full prospectus, with application form, is expected to be available online from Tuesday, 27 November 2007, the date the IPO is expected to open. Marathon shareholders are encouraged to access the electronic version of the prospectus if they wish to participate in the Priority Offer.

While Marathon will benefit from the successful completion of the Phoenix Copper IPO, as its agreement for sale of EL 3164 will then be completed, Marathon cannot endorse shares in Phoenix Copper as a suitable investment. Each Marathon shareholder must make their own decision, based on a reading of the Phoenix Copper prospectus and the professional advice they take.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Williams', with a stylized flourish at the end.

Peter L Williams  
Chairman  
Marathon Resources Limited